


  
**FEDERAL REGISTER**  
 OF THE UNITED STATES 1934  
 VOLUME 3 NUMBER 111

Washington, Wednesday, June 8, 1938

*Rules, Regulations, Orders*

**TITLE 7—AGRICULTURE**  
**BUREAU OF AGRICULTURAL ECONOMICS**

**PUBLIC NOTICE ESTABLISHING STANDARDS FOR GRADES OF COTTONSEED SOLD OR OFFERED FOR SALE FOR CRUSHING PURPOSES WITHIN THE UNITED STATES**

By virtue of the authority vested in the Secretary of Agriculture by the Act of Congress entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1938, \* \* \* and for other purposes" (Public No. 173, 75th Congress), I, H. A. Wallace, Secretary of Agriculture do hereby fix, establish, and promulgate the following official standards of the United States for grades of cottonseed sold or offered for sale for crushing purposes, the same to supersede the standards for cottonseed promulgated July 30, 1937, and to be in force and effect as long as Congress shall provide the necessary authority therefor, unless amended or superseded by standards hereafter prescribed and promulgated under such authority.

**SECTION 1.** The grade of cottonseed shall be determined from the analysis of samples, and it shall be the result, stated in the nearest whole or half numbers, obtained by multiplying a quantity index by a quality index and dividing the result by 100 as hereinafter provided.

(a) The basis grade of cottonseed shall be grade 100.

(b) High grades of cottonseed shall be those grades above 100.

(c) Low grades of cottonseed shall be those grades below 100.

**SEC. 2.** The following formulae shall be used in determining the quantity index of cottonseed:

(a) For cottonseed that by analysis contain 17 percent or more of oil, the quantity index shall equal 4 times the percentage of oil, plus 6 times the percentage of ammonia, plus 5.

(b) For cottonseed that by analysis contain less than 17 percent oil, the quantity index shall equal 5 times the percentage of oil, plus 6 times the percentage of ammonia, minus 12.

**SEC. 3.** The quality index of cottonseed shall be an index of purity and soundness, and shall be determined as follows:

(a) *Superior quality cottonseed.*—Cottonseed that, by analysis, contain not less than 18.7 percent oil, nor more than one-half of one percent foreign matter, 8 percent but not more than 10.0 percent moisture, and not more than one-half of one percent free fatty acids in the oil in the seed shall be known as superior quality cottonseed and shall have a quality index of 102.

(b) *Prime quality cottonseed.*—Cottonseed that, by analysis, contain not more than 3 percent foreign matter, not more than 12 percent moisture, and not more than 1.8 percent free fatty acids in the oil in the seed, shall be known as prime quality cottonseed and shall have a quality index of 100.

(c) *Subquality cottonseed.*—The quality index of cottonseed that, by analysis, contain foreign matter, moisture, and/or free fatty acids in the oil in the seed in excess of the percentages shown in section 3-6 shall be found by reducing the quality index of prime quality cottonseed as follows:

(1) Not to exceed five-tenths of a unit for each 0.1 percent of free fatty acids in the oil in the seed in excess of 1.8 percent.

(2) Not to exceed 1 unit for each 1 percent of foreign matter in excess of 3 percent.

(3) Not to exceed 1 unit for each 1 percent of moisture in excess of 12 percent.

Such cottonseed shall be known as subquality cottonseed, except as hereinafter provided.

(d) *Off quality cottonseed.*—Cottonseed that have been treated by either mechanical or chemical process other than the usual cleaning, drying, and ginning (except such sterilization as may be required by the United States Department of Agriculture for quarantine purposes)

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or that are fermented and hot, or that upon analysis are found to contain 12 percent or more free fatty acids in the oil, or more than 10 percent foreign matter, or more than 18 percent moisture, or



Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1 per month or \$10 per year; single copies 10 cents each; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

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more than 25 percent combined moisture and foreign matter, shall be designated as Off Quality Grade.

(e) *Below grade cottonseed.*—Cottonseed the grade of which when calculated according to section 3-c above is below Grade 25 shall be designated as "Below Grade Cottonseed." A grade shall not be indicated.

Sec. 4. *Sampling, analysis, and certification of samples and grades.*—The drawing and preparation and certification of samples of cottonseed and the analysis and certification of grades of cottonseed shall be performed in accordance with methods approved from time to time by the Chief of the Bureau of Agricultural Economics.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the City of Washington, this 7th day of June 1938.

[SEAL] H. A. WALLACE,  
Secretary.

[F. R. Doc. 38-1600; Filed, June 7, 1938;  
12:37 p. m.]

## TITLE 19—CUSTOMS DUTIES

### BUREAU OF CUSTOMS

[T. D. 49588]

CUSTOMS REGULATIONS OF 1937 AMENDED BY INCLUDING NOVEMBER 11, ARMISTICE DAY, IN THE LIST OF LEGAL PUBLIC HOLIDAYS THEREIN SET FORTH

To Collectors of Customs and Others Concerned:

The act of May 13, 1938 (Public No. 510, 75th Congress, 3d Session) made the 11th day of November in each year a legal public holiday. In line with the

provisions of such act, the Customs Regulations of 1937 are hereby amended as follows:

Article 112 (n)<sup>1</sup> is amended by inserting the date "November 11," before the word "Thanksgiving" in line 3 thereof.

Article 1243<sup>2</sup> is amended by inserting the date "November 11," before the word "Thanksgiving" in line 6 thereof.

Article 1461 (b)<sup>3</sup> is amended by inserting the date "November 11," before the word "Thanksgiving" in line 2 thereof.

[SEAL] JAMES H. MOYLE,  
Commissioner of Customs.

Approved, June 1, 1938.

WAYNE C. TAYLOR,  
Acting Secretary  
of the Treasury.

[F. R. Doc. 38-1601; Filed, June 7, 1938;  
12:41 p. m.]

## TITLE 25—INDIANS

### OFFICE OF INDIAN AFFAIRS

REGULATIONS RELATING TO THE ISSUANCE OF PATENTS IN FEE, CERTIFICATES OF COMPETENCY, THE SALE OF ALLOTTED AND INHERITED INDIAN LANDS, INCLUDING LANDS BELONGING TO THE FIVE CIVILIZED TRIBES, AND THE REINVESTMENT OF THE PROCEEDS IN NON-TAXABLE LANDS

#### PATENTS IN FEE

MAY 7, 1938.

Sec. 1. The Act of May 8, 1906 (34 Stat., 183) provides for the issuance of patents in fee to Indian allottees.

The Secretary of the Interior, whenever he shall be satisfied that any Indian 21 years of age or over is capable of managing his or her affairs and has made an application therefor, may cause to be issued to such applicant a patent in fee for his original or inherited land held under a trust patent. This Act does not apply to members of the Five Civilized Tribes or the Indians under the jurisdiction of the Quapaw, Kaw, or Osage Agencies. The issuance of a patent in fee is discretionary with the Secretary of the Interior. Such a patent will not be issued unless it can be affirmatively shown that its issuance will not affect unfavorably the consolidation and use by the Indians of restricted Indian lands and that the applicant is in all respects competent to care for his or her own affairs. Such competency must be shown affirmatively regardless of the blood status of the applicant.

Sec. 2. All applications for patents in fee should be made on form 5-105 to the Superintendent having jurisdiction over the land the applicant seeks to have patented. Whenever an applicant for a patent in fee is obviously not qualified to receive one, or the land covered by

the application lies within a territory largely occupied and used by Indians, the Superintendent will deny his application in writing, stating therein the reasons therefor and advising the applicant that he may if he desires appeal to the Commissioner of Indian Affairs. A copy of the Superintendent's denial should be furnished the Indian Office for its records. All cases in which Superintendents are in doubt that an application should be denied and in those cases in which they believe the applications should be approved are to be submitted to the Indian Office accompanied by the recommendation of the tribal council, tribal executive committee, or other governing body.

#### CERTIFICATES OF COMPETENCY

Sec. 3. Applications on form 5-105, modified for Certificates of Competency authorized by Section 1 of the Act of June 25, 1910 (36 Stat., 355) shall be filed with the Indian Superintendent having jurisdiction over the land from which the allottee or heirs seek to have all restrictions removed. When the land is not located within the territorial limits of an Indian reservation the allottee or heirs may petition the most convenient Superintendent or other officer in charge of an Indian Agency or Indian Tribe or such other public officer of the United States as may be designated by the Secretary of the Interior, who shall take like action as if the lands were within the territorial limits of an Indian reservation.

Sec. 4. Reports on applications for Certificates of Competency should be on form 5-110f and should be accompanied by the recommendation of the tribal council. The issuance of a Certificate of Competency is discretionary with the Secretary of the Interior. Such a certificate will not be issued unless it can be affirmatively shown that its issuance will not affect unfavorably the consolidation and use by the Indians of restricted Indian lands. The provisions of the Act of June 25, 1910 apply only to Indians or their heirs to whom a patent in fee containing restrictions on alienation has been issued.

#### CERTIFICATES OF COMPETENCY, OSAGE

Sec. 5. Paragraph 7 of section 2 of the act of June 28, 1906 (34 Stat. 539, 542), and section 5 of the act of March 2, 1929 (45 Stat. 1478), provide for the issuance of certificates of competency to Osage Indians.

Sec. 6. Applications for the issuance of certificates of competency to adult members of the Osage Tribe of Indians shall be on forms prescribed by the Secretary of the Interior. These forms may be obtained from the Superintendent of the Osage Indian Agency, Pawhuska, Oklahoma. If the applicant be of one-half or more Indian blood and the Secretary finds that the applicant is capable of managing his or her own affairs and transacting his or her own business, a

<sup>1</sup> 2 F. R. 1760 (DI).

<sup>2</sup> 2 F. R. 2013 (DI).

<sup>3</sup> 2 F. R. 2048 (DI).

certificate of competency removing the restrictions from the surplus lands and funds of the applicant may be issued to be effective 30 days from the date of its issuance.

All restrictions against the alienation of allotment selections, both homestead and surplus, of all adult Osage Indians of less than one-half Indian blood, were removed by the act of March 3, 1921 (41 Stat. 1249). Certificates of competency may, however, be issued to Osage Indians of less than one-half blood and such certificates, when issued, will have the effect of releasing from Federal control all funds accrued and accruing to the applicants from the Osage tribal income.

The issuance of certificates of competency in all cases is discretionary with the Secretary of the Interior. Certificates of competency will not be issued unless it can be affirmatively shown that its issuance will not affect unfavorably the consolidation and use by the Indians of restricted Indian lands.

#### CERTIFICATES OF COMPETENCY, KAW OR KANSAS INDIANS

SEC. 7. Section 10 of the Act of July 1, 1902 (32 Stat. 639-640) provides for the issuance of Certificates of Competency to the Kaw or Kansas Indians.

Sec. 8. Applications for the issuance of Certificates of Competency to adult members of the Kaw or Kansas Tribe of Indians shall be upon forms prescribed by the Secretary of the Interior and furnished by the Superintendent in charge of Kaw or Kansas allottees, Pawnee, Oklahoma.

Sec. 9. When the Secretary of the Interior finds that the applicant is capable of transacting his or her own affairs and transacting his or her own business, the restrictions may be removed and a Certificate of Competency issued to be effective 30 days from the date of its issuance. The issuance of a Certificate of Competency is discretionary with the Secretary of the Interior. Such a certificate will not be issued unless it be affirmatively shown that its issuance will not affect unfavorably the consolidation and use by the Indians of restricted Indian lands.

#### PARTITIONS OF INHERITED ALLOTMENTS

SEC. 10. The Act of June 25, 1910 (36 Stat. 855) as amended by the Act of May 18, 1918 (39 Stat. 127) provides for the partition of inherited Indian allotments and the issuance of patents to the heirs for the lands set apart to each.

Sec. 11. In case the trust land of a deceased allottee is susceptible of partition among the heirs, the Secretary of the Interior may make such partition and issue new patents to the several heirs for the portions selected by them. If the allotment is held under a restricted fee title (as distinguished from a trust title) partition may be made by approved deeds among the heirs. Petitions for

partition should be made upon form 5-110 1.

#### SALE OF ALLOTTED LANDS EXCLUSIVE OF FIVE CIVILIZED TRIBES

Sec. 12. On all reservations heirship lands may be sold by the Secretary of the Interior to an Indian tribe. Such sale may be made with or without the consent of the interested heirs. It is necessary that reasonable compensation be paid by the tribe for the land thus sold. Such reasonable compensation may be based upon the actual income-producing prospects and record of the land, due consideration being given to the expenses of leasing created by heirship status in so far as these expenses would be deducted from the sums paid to the lessors. Except for the requirement that 10 percent of the purchase price be paid in advance, the terms of payment are within the discretion of the Secretary of the Interior.

Sec. 13. On reservations within the act of June 18, 1934, sales of heirship land may be made to the United States in trust for the tribe or for individual Indians. With respect to the terms and manner of sale and the basis of valuation, Section 12 hereof shall govern.

Sec. 14. On reservations not within the act of June 18, 1934, heirship lands may be sold directly to individual Indians or to an Indian cooperative or tribe. It is within the discretion of the Secretary of the Interior to make such sales with or without the consent of the heirs, without calling for bids or after bids have been called for. Patents in fee must issue to the purchaser upon final completion of payments for the land, unless all the heirs join in making a conveyance of the trust title. If bids are called for, the call for bids may limit the bidders either to Indians or to Indians of a particular tribe or to Indians interested in the particular estate or to any other reasonably defined class of Indians, provided that in any case a fair price, in the light of all circumstances, is obtained for the land that is sold. With respect to the terms and manner of sale, and the basis of valuation, Section 12 hereof shall govern.

Sec. 15. On reservations not under the Indian Reorganization Act, in cases where sales cannot be consummated pursuant to sections 12, 13 and 14 of the regulations, sales may be made of both original and inherited allotments. In such cases sales of Indian lands except where special or specific acts govern, are authorized under the acts of May 27, 1902 (32 Stat. 245-275); March 1, 1907 (34 Stat. 1015, 1018); June 25, 1910 (36 Stat. 855) as amended by the act of April 30, 1934 (48 Stat. 647).

#### PREFERENCE RIGHT IN OKLAHOMA

Sec. 16. In the case of any sale of restricted Indian land at public auction or by sealed bids in Oklahoma, except

in the case of the Osage Reservation, the act of June 26, 1936 (49 Stat. 1967), provides in part that whenever any restricted Indian land or interests in land other than sales or leases of oil, gas, or other minerals therein, are offered for sale, pursuant to the terms of this or any other Act of Congress, the Secretary of the Interior shall have a preference right, in his discretion, to purchase the same for or in behalf of any other Indian or Indians of the same or any other tribe, at a fair valuation to be fixed by the appraisement satisfactory to the Indian owner or owners, or if offered for sale at auction said Secretary shall have a preference right, in his discretion, to purchase the same for or in behalf of any other Indian or Indians by meeting the highest bid otherwise offered therefor.

In order to expeditiously carry out these requirements Superintendents or other officers in charge of the several Indian Agencies and reservations in the State of Oklahoma, except Osage, are required to keep close watch for notice of the sale of restricted Indian land at public auction or through sealed bids. In all cases of this class full cooperation of State and County authorities is desired, and in order to avoid unnecessary delay in exercising the preferential right and in waiving it in cases where the lands are not wanted for Indian purposes, and to avoid undue hardship either to the Indian or to others in the exercise of such preferential right, such cases shall receive prompt consideration by the several agencies and officers in the field and forwarded to the Indian Office and the Department to the end that this right to purchase shall be either exercised or waived as promptly as circumstances will permit. Such preference right to purchase is placed in the Secretary of the Interior under the Act and is recognized as remaining in full force and effect until released by said Secretary through endorsement on deeds of conveyance or in an appropriate order the form of which is "Preference right of purchase resting in the Secretary of the Interior under section 2 of the Act of June 26, 1936 (49 Stat. 1967), is hereby waived as to the lands herein described."

Sec. 17. Preference right of purchase is not to be construed as indiscriminate land purchasing. Land acquired under this Act must be agricultural or grazing of good character and quality. The purchase of town lots or homesites is not authorized. The Superintendent is to exercise this right to purchase in areas where there are Indian settlements and schools available for education of the children, or at other points where desirable lands can be obtained in comparatively consolidated areas for Indian benefit. All lands being considered for purchase must be carefully examined and appraised. The Superintendent whenever feasible shall utilize the services of the special land purchasing force and in

all instances the Land Field Agent's office must be notified of each such proposed purchase to the end that his record of land acquisition in Oklahoma may be kept current. Where Superintendents conduct all the land purchase activities within their jurisdiction all papers are to be transmitted direct to the Commissioner for consideration and appropriate action. In all cases copies of such papers are to be sent to the Land Field Agent. In those cases where the purchase work has been handled by or with the assistance of the Land Field Agent's force, all purchase papers should be routed through the Land Field Agent for preparation of report to the Commissioner.

Sec. 18. Where restricted lands are offered for sale which are not within an area wanted for rehabilitation or other Indian purposes and the Superintendents in charge are fully satisfied that the tract or tracts offered will not be needed in connection with the land program. Superintendents are hereby authorized to waive such preferential purchase right for and on behalf of the Secretary of the Interior.

Sec. 19. Funds derived from the sale of restricted lands may be used to acquire other lands as provided for by the Act of March 2, 1931 (46 Stat., 1471) as amended by the Act of June 30, 1932 (47 Stat., 474). The lands so acquired shall be restricted and non-taxable as provided in said Act.

#### METHOD OF SALES

Sec. 20. Any Indian owner may petition the Commissioner of Indian Affairs through his Superintendent, or other officer in charge, for the sale of the land described therein. When petition is made for the sale of an original allotment, there must be set forth clearly, on form 5-110, the reason for the sale and a showing made as to whether the allotment, or any part thereof, is leased; and if so, the annual rental thereof. The owner must subscribe his name or affix his mark or thumb mark to the petition.

Sec. 21. If the petition is made by the heirs of a decedent, it shall set forth every material fact necessary to show full title in the petitioners, on form 5-110j, and shall be signed by all the adult heirs on their own behalf, by the guardian of a minor heir who has such guardian, and by the Superintendent or other officer in charge of the Agency or School on behalf of any orphan minor heir.

Guardians for orphan minors and mental incompetents duly appointed by the properly constituted authority under the terms, provisions and conditions of the constitution, by-laws or charter of the tribe or tribes of such reservation shall be recognized.

Sec. 22. Only parents will be recognized as natural guardians. If the father and mother are living together, the father must sign the petition on behalf of his minor child; otherwise the

parent having the actual care and custody of the minor must sign. No sale of inherited land shall be permitted without a petition from the heirs except when expressly authorized by the Department.

Sec. 23. When the land is not located within the territorial limits of an Indian reservation the owner thereof must petition the most convenient Superintendent or other officer in charge of an Indian Agency or Indian Tribe or such other officer of the United States as may be designated by the Secretary of the Interior, who may take like action thereon as if the land were within the territorial limits of an Indian reservation.

Sec. 24. Purchasers shall pay all costs of conveyancing and in addition the following sums, to wit: If the purchase price is \$1,000 or less, \$1.50. If it be more than \$1,000 and not more than \$2,000, \$2. If the purchase price is more than \$2,000, \$2.50. Such fees should not be included in checks covering payment for the land, but collected separately, taken into accounts as "Sundry receipts" and deposited to the credit of the United States.

Sec. 25. In all cases of the sale of restricted allotted Indian lands, either on a cash basis or on deferred payments, the purchasers will be required to deposit with the Superintendent, in addition to the consideration for the land and the fee provided for in Section 17 hereof, the sum of \$20, such amount to be paid when the purchaser is notified that he is the successful bidder. This fee is collected for the purpose of paying for the work incident to the sale as required by the Act of February 14, 1920 (41 Stat., 415) as amended by the Act of March 1, 1933 (47 Stat., 1417). The fee may be reduced to a lesser amount than \$20 or to a nominal amount if the circumstances justify such reduction in the discretion of the Secretary of the Interior. The sales fee if conditions warrant may be deducted from the proceeds of sale.

Sec. 26. In sales involving irrigable land, the purchaser will be required to pay the proportionate per acre construction cost of the particular project to be assessed against the land. Payments made by the Indian owner prior to July 1, 1932 will be taken into consideration in fixing the appraisements of the land. All appraisements covering irrigable land will be submitted to the Supervising or Project Engineer of the district in which such land is situated for his approval. Purchasers will be required to pay in addition to the per acre construction cost the annual operation and maintenance charges assessed against the land which will be based on the annual cost of the operation of the system. All such charges remaining unpaid as of the date of the acceptance of the bid must be paid by the purchaser. In all cases purchasers will be required to enter into an agreement for the payment of all such charges. A lien clause

covering the cost of all irrigation charges, past and future, will be inserted in the patent or other instrument issued to the purchaser.

Sec. 27. Before any tract of land is offered for sale the Superintendent or other officer in charge shall visit, view and appraise it at its full value for the purpose for which it is best adapted, according to his best judgment. If a Superintendent or other officer in charge is for any cause unable personally to appraise the lands he shall require the appraisement to be made by the officer or employe under his charge best qualified for the purpose. No bid for less than the appraised value will be considered. If the appraisement is made by a person other than the Superintendent or officer in charge, the Superintendent or officer in charge shall file with the papers a certificate of the qualifications and integrity of the appraiser, to the effect that he believes the appraisement to be the value of the land. Lands shall not be offered for sale unless an appraisement thereof has been made within six months prior thereto. Certificates of appraisement should be made on form 5-110a.

#### BIDS

Sec. 28. Each bid on Indian lands offered for sale must be accompanied by a duly certified check payable to the order of the Superintendent or other officer in charge for the use of the vendor, for not less than 10 per cent of the offer made, as a guaranty of the bidder's faithful performance of his proposition. If the bid is accepted and the successful bidder shall within 30 days after due notice fail to comply with the terms of his bid, his deposit shall be forfeited to the use of the owner of the land. All bids should be enclosed in a sealed envelope which must be marked by the bidder "Bid for Indian Land" and show the date of opening, but the description of the land shall not be noted on the envelope.

Sec. 29. No bidder will be permitted to include more than one allotment in any bid, but if a prospective purchaser desires to bid on more than one allotment he must submit a separate bid for each allotment. A bidder shall have the privilege, however, of designating in his bid not more than three allotments as first, second and third choice and his offer on each such allotment will be considered according to such designations. In that case but one certified check for 10 per cent of the highest amount offered by him need accompany the bid.

Sec. 30. Under no circumstances will the Superintendent or other officer in charge or any person connected with the Agency office or the Indian Service directly or indirectly be permitted to bid or to make or to prepare any bid or assist any bidder in preparing his bid.

Sec. 31. The right to reject any and all bids is reserved to the Commissioner of Indian Affairs.

Sec. 32. Bidders, owners and other interested persons may be present when bids are opened and when so opened the bids shall be recorded in a book or on cards kept for that purpose so as to show the name of the bidder, description of the land, amount offered, and action taken thereon. The award shall be made to the highest bidder and the checks of the unsuccessful bidders shall be returned immediately to them, receipts therefor being taken and filed at the Agency.

Sec. 33. The exchange submitted with the bid of the successful bidder shall be immediately deposited by the Superintendent or other officer in charge to his official credit in a designated depository for Individual Indian Money. As soon as practicable the Superintendent or other officer in charge shall require the successful bidder to furnish additional exchange for the remaining 90 per cent of the amount bid, which shall be deposited forthwith to the official credit of the disbursing officer in the same depository to await the action of the Department on the sale.

Sec. 34. In any case where the Indian owner and purchaser desire, a sale may be completed on the deferred payment plan and in such case the purchaser shall pay not less than 25 per cent of his bid in cash and execute notes for the balance payable in three equal payments on or before one, two and three years after date, on form 5-110g.

Sec. 35. At the time the petition for sale is executed by the allottee or heirs interested they should designate thereon whether they wish the sale to be made for cash or on deferred payments bearing the usual rate of interest of the locality. In deferred payment sales 10 per cent of the purchase price should accompany the bid, an additional 15 per cent to be paid when the bid be accepted, and the balance to be paid on or before one, two and three years. When the purchase price and the agreed interest on the notes have been paid in full, a patent in fee will be issued to the purchaser or his assigns, and in cases where a patent in fee is not authorized by law or cannot be issued on account of irregular description of the land, a deed executed by the allottee or heirs and approved by the Secretary of the Interior will be delivered to such purchaser or assignee. When lands are sold on deferred payments a certificate or memorandum of purchase, setting out fully the terms thereof and approved by the said Secretary, will be delivered to the purchaser. If the purchaser makes default in the first or subsequent payments, all payments, including interest, previously made will be forfeited to the Indian owner. When lands are sold on deferred payments, and title is to be conveyed by approved deed, the deed shall be held in the Indian Office in escrow until full payment is made when it will be delivered to the grantee.

Sec. 36. All sales of lands made under the Acts referred to herein, to be valid must be approved by the Secretary of the Interior and accompanied by the original petition for sale, the appraisement, all bids relating to the land covered by the petition, and a full report in accordance with Forms 5-110e, 5-110m or 5-110n or as required by the Commissioner of Indian Affairs, by the Superintendent or other officer in charge of all proceedings prior to his report which relates to the sale.

**REMOVAL OF RESTRICTIONS, AND THE SALE OF LANDS OF THE FIVE CIVILIZED TRIBES, AND THE REINVESTMENT OF FUNDS IN NON-TAXABLE LANDS**

Sec. 37. Sections 1 and 9 of the Act of May 27, 1908 (35 Stat., 312-315) as amended and supplemented by Section 1 of the Act of May 10, 1928 (45 Stat., 495) and Sections 1 and 8 of the Act of January 27, 1933 (47 Stat., 777-779) authorized the removal of restrictions and sales of restricted allotted and inherited lands of the Five Civilized Tribes in Oklahoma. Restricted funds derived from the sale of such restricted lands may be used to acquire other lands for such Indians, as provided for in the Act of March 2, 1931 (46 Stat., 1471) as amended June 30, 1932 (47 Stat., 474) and the lands so acquired for such Indians to the extent provided for in said Act shall be exempt from taxation.

Sec. 38. Subject to the limitations of Order No. 420, approved on August 14, 1933, precluding the removal of restrictions and sales of land except in individual cases of great distress or other emergency, etc., applications must be made in triplicate on approved form Five Civilized Tribes, 5-484. These forms will be furnished free of charge on application to the Superintendent for the Five Civilized Tribes or any field clerk.

Sec. 39. When an application is received by the field clerk, he shall, after investigation, including a personal interview with the applicant, forward the application with report and recommendation to the Superintendent for the Five Civilized Tribes to be transmitted with his report and recommendation for such action as the Secretary of the Interior may deem proper.

Sec. 40. Upon proper showing to the Secretary of the Interior that an applicant for the removal of restrictions should have the unrestricted control of his allotment or a part thereof, he may remove the restrictions therefrom.

Sec. 41. When the Secretary of the Interior finds it to be for the best interest of any applicant that all or part of his restricted lands should be sold with conditions concerning terms of sale and disposal of the proceeds, he may remove the restrictions, to become effective only and simultaneously with the execution of a deed by said applicant and issue an order specifically providing the terms under which the land may be sold and

providing for the disposal of the proceeds.

Sec. 42. The Superintendent for the Five Civilized Tribes will advertise for sale at public auction for not less than 30 days the land included in conditional removal of restrictions orders by posting notices at his office; at the offices of the several field clerks, and at the county court houses of the Five Civilized Tribes area. Such notices shall contain information as to time and place of sale, legal description of the land, information as to character of land, minimum price at which the land may be sold, and terms of sale, with reservation of right to reject any bid submitted. The determination of the minimum price at which lands may be sold will be made by the Superintendent after an inspection and appraisement of the land by a representative of his office. No bid for an amount less than the minimum price will be considered. All cost of conveyance and recording shall be at the expense of the purchaser.

Sec. 43. Bids may be made in writing on any of the lands to be offered for sale. Any written bid submitted to be given consideration must be received at the place of sale prior to the hour of sale by the officer named in the notice offering the land for sale and accompanied by a deposit of 10 per cent of the amount bid. Deposits accompanying unsuccessful bids will be returned promptly. Each successful oral bid must be accompanied by a deposit of 10 per cent of the amount bid as guarantee of faithful compliance of the bidder with the terms of sale.

Sec. 44. A remittance of \$20 will be required from the successful bidder as a land sale fee on each tract sold. This fee is collected for the purpose of paying for the work incident to the sale as required by the Act of February 14, 1920 (41 Stat., 415) as amended by the Act of March 1, 1933 (47 Stat., 1417). Where the circumstances justify a reduction in the sales fee the Secretary of the Interior may reduce the amount. The sales fee if conditions warrant and the advertisement so provides may be deducted from the proceeds of the sale.

If a bid is accepted and the successful bidder shall fail within 10 days from the receipt of notice of the acceptance of his bid, to comply with the terms thereof, such deposit will be subject to forfeiture by the Superintendent for the Five Civilized Tribes for the use of the owner of the land.

The proceeds of all such sales shall be held by said Superintendent for the Five Civilized Tribes in his official capacity, and be disbursed for the benefit of the respective Indians.

Sec. 45. Upon the approval by the Secretary of the Interior of a conditional order for the removal of restrictions the land covered thereby to be sold under the supervision of the Superintendent for the Five Civilized Tribes,

the said Superintendent is hereby authorized, in such cases as he considers to be for the best interests of the respective allottees so to do, to advertise and sell said land at public auction for not less than the appraised value for cash or upon deferred payments, any such deferred payment sales to be made under the following terms:

A. Where the consideration is \$500 or less, at least one-half to be paid in cash at the time of the sale and the remainder to be evidenced by purchaser's notes due and payable in not more than 18 months after the date of purchase and secured by first mortgage on the premises conveyed.

B. Where the consideration exceeds \$500 and is not more than \$1,500, at least one-third to be paid in cash at the time of sale and the remainder in two equal payments evidenced by purchaser's note or notes to fall due not more than 2½ years from date of purchase, and secured by first mortgage on the premises conveyed.

C. Where the consideration exceeds \$1,500 at least one-fourth to be paid in cash at the time of sale and the remainder in three equal payments evidenced by purchaser's note or notes to fall due not more than 3½ years from the date of purchase and secured by first mortgage on the premises conveyed.

Sec. 46. All cash payments at the time of sale to be paid into the hands of the cashier and special disbursing agent for the Five Civilized Tribes, Muskogee, Oklahoma, or his successor in authority, and all notes and mortgages securing same to contain the express condition that no payment purporting to discharge, satisfy, or release the indebtedness evidenced thereby shall operate as a release, satisfaction, discharge, or payment thereof unless such payments and interest accruing thereon are made to the said cashier or his successor, for the benefit of the proper allottees, or if such note or notes are properly negotiated with the approval of the Secretary of the Interior, to the owner or owners of such notes, and such notes shall be non-negotiable except with the approval of the said Secretary. The note or notes shall be held by the said cashier or his successor for collection when due. Said notes shall draw interest from date of execution until paid at the rate of 6 per cent per annum.

Sec. 47. All moneys received by the cashier or his successor as consideration for land, including moneys received on account of deferred payments and accrued interest thereon, shall be deposited or held to the credit of the proper allottee in Individual Indian Accounts and be subject to the rules, regulations and orders of this Department governing the holding of moneys so deposited and the disbursement thereof.

Sec. 48. Upon the consummation of a sale in compliance with these regulations the Superintendent, or other officer in charge of the office of the Five Civilized Tribes, will make appropriate endorsements upon the order for the removal of restrictions from the land sold and on the deed of conveyance as prescribed by forms Five Civilized Tribes 5-540 and 5-183c. The order for the removal of restrictions and the deed thus endorsed shall, after proper record thereof has been made at the office of the said Superintendent, be delivered to the grantee.

Sec. 49. In any case where lands are purchased for the use and benefit of any citizen of the Five Civilized Tribes of the restricted class, payment for which is made from proceeds arising from the sale of restricted non-taxable land, the said Superintendent shall cause conveyance of such lands to be made on form of conveyance containing an habendum clause against alienation, taxation or encumbrances, as follows:

To HAVE AND TO HOLD said described premises, unto said grantee \_\_\_\_\_ heirs and assigns, forever, free, clear, and discharged of all former grants, charges, taxes, judgments, mortgages, and other liens and encumbrances of whatsoever nature, subject to the condition that no lease, deed, mortgage, power of attorney, contract to sell, or other instrument affecting the land herein described or the title thereto shall be of any force and effect, unless approved by the Secretary of the Interior or the restrictions from said land are otherwise removed by operation of law.

Sec. 50. Before delivery and recording of such deed of conveyance the said Superintendent will attach a certificate of notice in the following form:

I hereby certify that the land described in the above deed was purchased for a home for the said \_\_\_\_\_ with funds HELD IN TRUST by the United States for H \_\_\_\_\_ derived from the sale of restricted lands as authorized by the terms of the Act of March 2, 1931 (46 Stat. 1471) as amended June 30, 1932 (47 Stat. 474), and is non-taxable as therein provided.

Superintendent for the  
Five Civilized Tribes.

PURCHASE OF RESTRICTED, NON-TAXABLE  
PERSONAL PROPERTY WITH RESTRICTED  
FUNDS

Sec. 51. In all cases where purchases of automobiles, horses, wagons, buggies, cattle, agricultural implements, or other personal property are made for individual Indians, payments for which are made from moneys received from the sale of restricted allotted lands, or from other moneys held under the control of the Department of the Interior, the Superintendent for the Five Civilized Tribes, will, when in his judgment it is to the Indian's best interest, cause a bill of sale to be executed by the vendor or vendors conveying the property purchased to the United States, to be held in trust for the use and benefit of the respective allottees or their heirs who are of the restricted class.

Sec. 52. The Superintendent for the Five Civilized Tribes may cause all such property to be branded on some prominent place, "U. S. I. S." to indicate that the property was purchased by the United States through the Indian Service.

The law of the State of Oklahoma shall be followed in taking bills of sale. The bill of sale should be filed at the Office of the County Clerk for the county in which the property is located and duplicate thereof retained in the office of the Superintendent for the Five Civilized Tribes.

Before filing the bill of sale, certificate of notice shall be indorsed thereon by the said Superintendent or such other officer of the Department as he may designate for the purpose, evidencing the official character of the transaction and the nature of the funds affected.

Sec. 53. No sale, mortgage, or other disposition of the property covered by a bill of sale, as provided in these regulations, shall be of any force or validity except with the written consent previously obtained and the approval subsequently given of the Superintendent for the Five Civilized Tribes, or such other officer as he may designate for the purpose; and in the event the Indian attempts to sell, mortgage, or otherwise dispose of such property the said Superintendent shall promptly notify the Department to that effect, forwarding the original bill of sale, in order that proper proceedings may be instituted for the recovery of the property.

Sec. 54. These regulations shall become effective 30 days from date hereof and supersede all prior regulations relating to the issuance of patents in fee, certificates of competency, the sale of allotted and inherited Indian lands, including lands belonging to the Five Civilized Tribes, and the reinvestment of the proceeds in non-taxable lands.

WILLIAM ZIMMERMAN, Jr.,  
Acting Commissioner.

Approved, May 31, 1938.

OSCAR L. CHAPMAN,  
Assistant Secretary.

[F. R. Doc. 38-1595; Filed, June 7, 1938;  
9:42 a. m.]

TITLE 26—INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE

[Regulations No. 6]

BOTTLING OF DISTILLED SPIRITS IN BOND

The Act of Congress entitled "An Act to allow the bottling of distilled spirits in bond," approved March 3, 1897 (U. S. C., 1934 ed., title 26, sections 1278 to 1283), as amended by Section 306, of the Liquor Tax Administration Act (U. S. C., 1934 ed., Sup. II, sections 1275 and 1277) and the Act of July 9, 1937 (Public No. 198, 75th Congress).

SECTION 1. That whenever any distilled spirits deposited in the Internal Revenue Bonded Warehouse have been duly entered for withdrawal, before or after tax payment, or for export in bond, and have been duly gauged and the required marks, brands, and tax-paid stamps (if required) or export stamps, as the case may be, have been affixed to the package or packages containing the same, the distiller or owner of said distilled spirits, if he has declared his

purpose so to do in the entry for withdrawal, which entry for bottling purposes may be made by the owner as well as the distiller, may remove such spirits to a separate portion of said warehouse which shall be set apart and used exclusively for that purpose, and there, under the supervision of a United States storekeeper-gauger in charge of such warehouse, may immediately draw off such spirits, bottle, pack, and case the same. For convenience in such process any number of packages of spirits of the same kind, differing only in proof, but produced at the same distillery by the same distiller, may be mingled together in a cistern provided for that purpose, but nothing herein shall authorize or permit any mingling of different products, or of the same products of different distilling seasons, or the addition or subtraction of any substance or material or the application of any method or process to alter or change in any way the original condition or character of the product except as herein authorized; nor shall there be at the same time in the bottling room of any Internal Revenue Bonded Warehouse any spirits entered for withdrawal upon payment of the tax and any spirits entered for export.

Every bottle when filled shall have affixed thereto and passing over the mouth of the same a stamp denoting the quantity of distilled spirits contained therein and evidencing the bottling in bond of such spirits under the provisions of this Act, and of regulations prescribed hereunder.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and destroying stamps required by this section, the form and denominations of such stamps, applications for purchase of the stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps, and (b) such other regulations as the Commissioner shall deem necessary for the enforcement of this Act.

Such stamps shall be issued by the Commissioner of Internal Revenue to each Collector of Internal Revenue, upon his requisition in such numbers as may be necessary in his district, and, upon compliance with the provisions of this Act and regulations issued hereunder shall be sold by collectors to persons entitled thereto, at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one-half pint, the price shall be one-quarter of 1 cent for each stamp.

And there shall be plainly burned, embossed, or printed on the side of each case, to be known as the Government side, such marks, brands, and stamps to denote the bottling in bond of the whisky packed therein as the Commissioner may by regulations prescribe.

And no trade-marks shall be put upon any bottle unless the real name of the actual bona fide distiller, or the name of the individual, firm, partnership, corporation, or association in whose name the spirits were produced and warehoused, shall also be placed conspicuously on said bottle.

Sec. 2. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may, by regulations, prescribe the mode of separating and securing the additional warehouse or portion of the warehouse hereinbefore required to be set apart, the manner in which the business of bottling spirits in bond shall be carried on, the notices, bonds, and returns to be given and accounts and records to be kept by the persons conducting such business, the mode and time of inspection of such spirits, the accounts and records to be kept and returns made by the Government officers, and all such other matters and things as in his discretion he may deem requisite for a secure and orderly supervision of said business; and he may also, with the approval of the Secre-

tary of the Treasury, prescribe and issue the stamps required.

The distiller may, in the presence of the United States storekeeper or storekeeper and gauger, remove by straining through cloth, felt, or other like material any charcoal, sediment, or other like substance found therein, and may whenever necessary reduce such spirits as are withdrawn for bottling purposes by the addition of pure water only to one hundred per centum proof for spirits for domestic use, or to not less than eighty per centum proof for spirits for export purposes, under such rules and regulations as may be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury; but no spirits (except gin for export) shall be bottled in bond until they have remained in bond in wooden containers for at least four years from the date of original gauge as to fruit brandy, or original entry as to all other spirits: *Provided*, That nothing in this Act shall authorize the labeling of spirits in bottles contrary to the provisions of regulations issued pursuant to the Federal Alcohol Administration Act, or any amendment thereof.

Sec. 3. That all distilled spirits intended for export under the provisions of this Act shall be inspected, bottled, cased, weighed, marked, labeled, stamped, or sealed in such manner and at such time as the Commissioner of Internal Revenue may prescribe; and the said Commissioner, with the approval of the Secretary of the Treasury, may provide such regulations for the transportation, entry, reinspection, and lading of such spirits for export as may from time to time be deemed necessary, and all provisions of existing law relating to the exportation of distilled spirits in bond, so far as applicable, and all penalties therein imposed, are hereby extended and made applicable to distilled spirits bottled for export under the provisions of this Act, but no drawbacks shall be allowed or paid upon any spirits bottled under this Act.

Sec. 4. That where, upon inspection at the bonded warehouse in which the spirits are bottled at aforesaid, the quantity so bottled and cased for export is less than the quantity actually contained in the distiller's original casks or packages at the time of withdrawal for that purpose the tax on the loss or deficiency so ascertained shall be paid before the removal of the spirits from such warehouse, and the tax so paid shall be received and accounted for by the collector in such manner as the Commissioner of Internal Revenue may prescribe.

Sec. 5. That where, upon reinspection at the port of entry, any case containing or purporting to contain distilled spirits for export is found to have been opened or tampered with, or where any mark, brand, stamp, label, or seal placed thereon or upon any bottle contained therein has been removed, changed, or willfully defaced, or where upon such reinspection any loss or discrepancy is found to exist as to the contents of any case so entered for export, the tax on the spirits contained in each such case at the time of its removal from warehouse shall be collected and paid.

Sec. 6. That any person who shall reuse any stamp provided under this Act after the same shall have been once affixed to a bottle as provided herein, or who shall reuse a bottle for the purpose of containing distilled spirits which has once been filled and stamped under the provisions of this Act without removing and destroying the stamp so previously affixed to such bottle, or who shall, contrary to the provisions of this Act or of the regulations issued thereunder remove or cause to be removed from any bonded warehouse any distilled spirits inspected or bottled under the provisions of this Act, or who shall bottle or case any such spirits in violation of this Act or of any regulation issued thereunder, or who shall, during the transportation and before the exportation of any such spirits, open or cause

to be opened any case or bottle containing such spirits, or who shall willfully remove, change, or deface any stamp, brand, label, or seal affixed to any such case or to any bottle contained therein, shall for each such offense, be fined not less than one hundred nor more than one thousand dollars, and be imprisoned not more than two years, in the discretion of the court, and such spirits shall be forfeited to the United States.

Sec. 7. That every person who, with intent to defraud, falsely makes, forges, alters, or counterfeits any stamp made or used under any provision of this Act, or who uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or who shall make, use, sell, or have in his possession any paper in imitation of the paper used in the manufacture of any stamp required by this Act, shall on conviction be punished by a fine not exceeding one thousand dollars and by imprisonment at hard labor not exceeding five years.

Sec. 8. That nothing in this Act shall be construed to exempt spirits bottled under the provisions of this Act from the operation of chapter seven hundred and twenty-eight of the public laws of the Fifty-first Congress, approved August eighth, eighteen hundred and ninety.

Sec. 626. (Act of February 24, 1919) (U. S. C. 1934 ed., title 26, section 1283) That distilled spirits known commercially as gin of not less than 80 per centum proof may at any time within eight years after entry in bond at any distillery be bottled in bond at such distillery for export without the payment of tax, under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe.

By virtue of the authority conferred by the foregoing provisions of law, the following regulations are hereby prescribed:

**SECTION 1. Establishment of bottling house.**—Any proprietor of an Internal Revenue Bonded Warehouse who desires to bottle distilled spirits in bond, shall first set apart a portion of such warehouse for this purpose, and separate the same from the remainder of the warehouse by solid, secure, and unbroken partitions, extending from the floor to the ceiling or roof, with no interior communication whatever between the bottling room and other portions of the warehouse, except as hereinafter provided. No door or window will be permitted opening into another room or building. One door must be secure on the outside with a Government seal lock and all others shall be locked on the inside with Government locks, except that if the room is to be used exclusively for bottling distilled spirits in bond a door in the partition or wall separating the bottling room from the storage portion of the warehouse will be permitted for the purpose of transferring spirits to the bottling room and, if bottled before tax payment, their return for storage. The door must be equipped for locking with a Government lock on the storage side of the warehouse, and must be kept locked except while actually being used for the transfer of spirits: *Provided* however, that if the bottling room is eliminated from the warehouse premises in order that it may be operated as a tax-paid bottling house, or for any other purpose, the door in the wall separating such

room from the warehouse must be eliminated and the opening permanently boarded or bricked up in such a manner as to provide a solid and unbroken wall. If a separate building on the warehouse premises is to be used for bottling spirits in bond, it must be constructed as prescribed in Regulations 8.

**Sec. 2. Equipment of bottling house.**—The dumping, mixing or reducing and bottling tanks must be constructed of metal and shall be of uniform dimensions from top to bottom, and each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. All tanks must be so constructed as to admit of examination of every part thereof. Each tank shall have painted thereon its designated use, such as "Dump Tank", "Bottling Tank", etc., the serial number and its capacity in wine gallons. Manheads, inlets and outlets to the tanks must be provided with facilities for locking with Government locks. The tanks must not be permanently connected with pipelines used for the conveyance of distilled water or materials other than spirits. If a reducing tank is provided, the bottling tanks must have sufficient capacity to hold the entire contents thereof, and each must be connected with the reducing tank by closed and securely connected metal pipelines. If dump tanks are provided, the same shall be of a capacity not greater than the reducing tank where reducing tanks are being used, and shall be connected with either the reducing or bottling tank by means of closed metal pipes. Valves in pipelines will be equipped for the attachment of Government locks. The storekeeper-gauger will open and close such locks, but the proprietor will manipulate the valves controlling the flow of spirits into and out of all tanks in the bottling house. Filters must be connected with tanks by means of secure and closed metal pipelines.

**Sec. 3. Form 27D and plans.**—When a portion of an Internal Revenue Bonded Warehouse has been set apart for the bottling of distilled spirits in bond, and before any spirits are transferred to the bottling house, the proprietor of the warehouse will file an application on Form 27D and plans, in triplicate, with the district supervisor.

**Sec. 4. Examination of bottling house.**—Upon receipt of the notice (Form 27D) and plans the district supervisor, or one of his inspectors, will make a careful examination of the premises and apparatus proposed to be used for bottling spirits, and if found to be in accordance with these regulations, and as set forth in the notice, the supervisor will approve the notice and plans. One copy of the Form 27D will be forwarded to the Commissioner with the other required documents. Upon receipt of notice of action taken by the Commissioner, the supervisor will return one copy of the notice, Form 27D, to

the applicant, and retain the third copy.

**Sec. 5. Cabinet for keys, stamps, etc.**—There must be provided in the bottling house a metal cabinet of adequate strength and size, in which to safeguard Government property and stamps. Each cabinet must be approved by the district supervisor as to construction and security. The cabinet will be locked with a Government seal lock. Where a cabinet or other secure place for the safekeeping of keys, seals, stamps, records, etc., has previously been provided, which, in the opinion of the district supervisor, affords adequate protection for the keys, seals, etc., the supervisor may authorize the continued use of such cabinet or other secure place of safekeeping in lieu of the cabinet specified above.

**Sec. 6. Notice on Form 404.**—After the bottling house has been duly approved by the Commissioner of Internal Revenue, the proprietor of the warehouse will, before engaging in the business of bottling spirits, give notice to the district supervisor of his district on Form 404, in duplicate, of his intention to carry on the business of bottling distilled spirits in bond. The proprietor will also file notice on Form 404, in duplicate, with the district supervisor at such time as operations of the bottling house are discontinued. In making up Form 404 the instructions printed thereon must be followed. Upon completion of the Form 404 by the district supervisor, one copy will be forwarded to the proprietor of the warehouse through the storekeeper-gauger-in-charge, and one copy retained by the supervisor.

**Sec. 7. Entry for withdrawal of spirits for bottling.**—Except as to gin to be bottled for export, the entry for withdrawal for bottling-in-bond must bear date not less than four years after date of original gauge as to fruit brandy, or original entry as to all other spirits. The period during which spirits are stored in tanks in warehouse must be deducted from the age in determining whether such spirits are eligible for bottling-in-bond.

**Sec. 8. Spirits in process of bottling.**—Spirits of two or more distillers, spirits of two or more seasons' production, or spirits produced by the same distiller in the names of two or more individuals, firms, partnerships, corporations, or associations, may not be in the process of bottling in the same bottling room at the same time: Provided, that where one lot of spirits is in the process of bottling, another lot may be dumped and reduced and held in locked tanks until the process of bottling of the first lot has been completed. The process of bottling will be regarded as complete for the purpose of this section when the bottled spirits have been placed in the cases and the cases closed. Tax-paid and untaxed spirits, or spirits bottled for export and spirits bottled before tax payment, may not be in the same bottling room at the same time.

**Sec. 9. Bottling house having more than one bottling room.**—Two or more bottling rooms, with separate bottling equipment for each room, may be provided, and each bottling room may in accordance with the limitations set out in the preceding section be operated simultaneously with, and independently of, the other bottling rooms. A bottling house having more than one bottling room, as herein provided, will be regarded as a single bottling house, and only one record will be kept by the officer in charge. Where spirits are bottled in more than one bottling room at the same time, the spirits bottled and cased in each bottling room should not be numbered until near the close of the day, and each distiller's spirits will then be numbered in consecutive order in the regular series in use at the warehouse.

**Sec. 10. Definition of bottling room.**—A "bottling room" shall consist of a complete set of bottling equipment, separated from another such set by a complete partition, or by a wire net partition not less than nine gauge, not more than two inch mesh. Doors or other necessary openings will be permitted in such partitions at such points as will not interfere with adequate supervision and segregation of the spirits being bottled in the different rooms.

**Sec. 11. Storage of cases and bottling supplies.**—If cases and other bottling supplies are kept or stored in the bottling house, they must be kept completely segregated and so stored as not to interfere with proper supervision of the bottling house.

**Sec. 12. Custody of bottling house.**—The bottling house when established will be under the control of the district supervisor of the district and in the joint custody of the storekeeper-gauger and of the proprietor and shall at no time be unlocked or opened or remain open when spirits are therein except in the presence of the storekeeper-gauger. Where there is a communicating door between the bottling house and the warehouse, as authorized in Section 1, the bottling house must be locked at night in the usual way, regardless of whether spirits are stored therein.

**Sec. 13. Spirits which may be bottled.**—Except as to gin to be bottled for export, only spirits which have remained in bond in wooden containers for at least four years can be withdrawn for bottling in bond. Spirits may be bottled-in-bond either before or after payment of the internal-revenue tax. Spirits bottled in bond before payment of the tax will be returned to the bonded warehouse for storage until tax-paid or until removed without payment of tax under the provisions of law and regulations applicable thereto. Spirits bottled after tax payment must be removed from the bottling house immediately upon completion of the bottling, without being returned to the bonded warehouse.

**Sec. 14. Sizes of bottles.**—Spirits may be bottled-in-bond in the following sizes:

bottles, and no others: one-quart,  $\frac{4}{5}$  quart, one pint,  $\frac{1}{2}$  pint,  $\frac{1}{4}$  pint,  $\frac{1}{10}$  pint, and in the case of brandy  $\frac{1}{16}$  pint. Bottles must be filled as nearly as possible to conform to the amount stated to be contained therein, but in no case may the amount of spirits contained in any bottle vary from the amount intended or stated to be contained in such bottle more than 2 per cent.

SEC. 15. *Stamp denominations.*—Stamps will be provided in the following denominations, and in no others: one quart,  $\frac{3}{4}$  quart, 1 pint,  $\frac{1}{2}$  pint, and less than  $\frac{1}{2}$  pint. Stamps of less than  $\frac{1}{2}$  pint denomination will be used on bottles of the following sizes:  $\frac{1}{8}$  pint,  $\frac{1}{10}$  pint, and  $\frac{1}{16}$  pint.

**Sec. 16. Form 403, Requisition for stamps.**—Requisition for bottled-in-bond stamps will be made on Form 403, in triplicate, by the proprietor of the warehouse in which the spirits are stored. All copies will be submitted by the proprietor to the storekeeper-gauger-in-charge, who will indicate his approval by signing each copy of the form. Before approving the form the officer will see that the requisition is properly executed, and will satisfy himself that the number of stamps for which requisition is made is necessary. Upon approval of the forms the officer will retain one copy and will return the other two copies to the proprietor, who will forward both copies to the Collector of Internal Revenue with his remittance for the stamps. The collector will enter the serial numbers of the stamps issued and stamp the date of sale on both copies of Form 403. The collector will retain one copy and immediately forward one copy to the district supervisor.

Sec. 17. *Number of stamps in a sheet!*—  
Stamps of "Less than  $\frac{1}{2}$  Pint" denomination will be issued 50 in a sheet. Stamps of all other denominations will be issued 42 in a sheet. Requisitions for stamps by proprietors of warehouses must be made for full sheets. Stamps less than a full sheet may not be sold by a collector.

SEC. 18. *Shipment of stamps.*—The collector will forward the stamps by registered mail to the storekeeper-gauger named on the Form 403. In instances where it is impractical to ship large quantities of strip stamps by registered mail it is permissible to make the shipment by express, provided that a return receipt is procured in each case from the storekeeper-gauger. The expense of forwarding the stamps by registered mail or express to the storekeeper-gauger will be borne by the applicant. All stamps in the custody of the storekeeper-gauger will be kept by him in the cabinet prescribed in Section 5.

Sec. 19. *Overprinting of stamps.*—Stamps may be used either blank or overprinted, at the option of the proprietor of the warehouse. At such time as the proprietor of the warehouse desires to have stamps overprinted and cut the

storekeeper-gauger will deliver the stamps to him. One overprinting only will be permitted on any stamp and the printer will be approved by the supervisor. Overprinting will be done in red ink with not less than eight point type. The season when the spirits were made and the season when bottled will be placed in the blank space on the end of the stamp bearing the serial number, except in the case of stamps of "Less than  $\frac{1}{2}$  Pint" denomination, which do not have serial numbers, the season when made and the season when bottled will be placed on the right-hand end of the stamp. In the blank space on the other end of the stamp will be placed the name of the actual bona fide distiller, or the name of the individual firm, partnership, corporation, or association in whose name the spirits were produced and warehoused. Overprinting of the stamp will be in the following form:



SEC. 20. *Delivery of stamps to storekeeper-gauger.*—When the stamps have been overprinted the proprietor will deliver them to the storekeeper-gauger, who will determine whether the correct number has been returned. When application Form 1515 is received in accordance with Section 38, the storekeeper-gauger will deliver to the proprietor of the warehouse the stamps required to be affixed to the bottles. Storekeeper-gaugers who have custody of stamps will be held strictly responsible for the proper control and accounting of all stamps received, issued, used, and on hand. They shall determine whether the number of stamps requisitioned is needed; that those issued are properly affixed to bottles; that all stamps issued to the proprietor and not used are returned to them; and that a proper accounting is made of all stamps reported mutilated.

Sec. 21. *Mutilated stamps.*—There is no provision of law for the redemption or exchange of bottled-in-bond stamps. Stamps which are mutilated in overprinting, cutting, or in the bottling house, must be returned to the store-keeper-gauger, who will make the necessary record on Form 1606. All such mutilated stamps will be destroyed under the immediate supervision of the store-keeper-gauger.

Sec. 22. Form 1606—Record of stamps.—The storekeeper-gauger will keep a detailed record on Form 1606 of stamps of each denomination received by him during the month, the number turned over to the proprietor for overprinting and returned to him, and the number used during the month, showing the date of each transaction. The record must also show the number of stamps of each denomination on hand at the beginning and at the end of the month.

SEC. 23. *Caution notice.*—Every person bottling distilled spirits in bond except for export shall attach to each bottle filled by him a caution notice reading as follows:

This bottle has been filled and stamped under the provisions of the Act of Congress entitled "An Act to allow the bottling of distilled spirits in bond," approved March 3, 1897, as amended. Any person who shall reuse the stamp affixed to this bottle, or remove the contents of this bottle without so destroying the stamp affixed thereto as to prevent reuse, or who shall sell this bottle, or reuse it for distilled spirits, will be liable to the penalties prescribed by law.

When spirits are bottled for export the bottler may attach the caution notice if he so desires.

This notice shall be of convenient size for attachment to the bottle, shall be printed in plain, legible, black characters, with a black border, and shall be securely attached to the bottle. The type used in printing caution labels shall not be less than eight point when used on bottles of one-half pint or more.

Sec. 24. *Trade-marks and distiller's name.*—The provision of the law that no trade-marks shall be put upon any bottle unless the real name of the actual bona fide distiller or the name of the individual, firm, partnership, corporation or association in whose name the spirits were produced and warehoused, shall also be placed conspicuously on said bottle renders it absolutely necessary that either the label which contains the trade-mark or special name which the owner may see fit to give to his spirits, or some additional label equally conspicuous shall bear the real name of the actual bona fide distiller or the name of the individual, firm, partnership, corporation or association in whose name the spirits were produced and warehoused. In addition thereto the labels must conform to the provisions of regulations issued by the Federal Alcohol Administration and Regulations 13 of this Bureau, except when bottled for export.

Sec. 25. *Capacity of cases.*—Spirits bottled in bond shall be packed in cases containing 3 gallons of spirits each, as follows: 12 bottles containing one quart each; 24 bottles containing 1 pint each; 48 bottles containing  $\frac{1}{2}$  pint each; 192 bottles containing  $\frac{1}{4}$  pint each; 240 bottles containing  $\frac{1}{8}$  pint each; and 384 bottles containing  $\frac{1}{16}$  pint of brandy each. Bottles of  $\frac{1}{5}$  quart shall be packed in cases containing 2.4 gallons.

SEC. 26. *Case numbers.*—Each case filled will be given a serial number. Where an Internal Revenue Bonded Warehouse has a bottling warehouse already established, the series in use will be continued. At warehouses hereafter established, the cases bottled will be numbered serially, beginning with No. 1 for the first case filled. When the serial numbers of cases bottled at any ware-

house, whether established before or after the issuance of these regulations, have reached the number 999999 the proprietor may, if he so desires, begin a new series, commencing with No. 1 as originally.

SEC. 27. *Wooden cases.*—Distilled spirits bottled in bond may be placed in cases constructed of wood, the outer surface of the "Government" side dressed, and the top, bottom, and sides of a thickness not less than one-half inch and the ends of a thickness not less than three-fourths of an inch. The corners of the cases will be put together by the lock-corner or dovetail method. The top, bottom, sides, and ends of the cases must not consist of more than two pieces of wood each. When two pieces are used the same will be tongued and grooved, glued, and fastened on the inside with not less than two metal corrugated fasteners. Each end piece must be mortised to the extent of half its thickness and the top and bottom of the case set therein. The sides must extend the full height of the end pieces. Cement-coated nails must be used of a size not less than fourpenny. At least six such nails will be driven through each end of the top and bottom pieces into the end piece; at least two such nails will be driven through each side piece into the bottom piece; at least two such nails will be driven through each side piece into the top piece; at least two such nails will be driven through each end piece into the bottom piece; and at least two such nails will be driven through each end piece into the top piece.

In addition to being nailed as above provided, the cases must be wired by drawing metal straps or heavy wire around the same about 4 inches from each end, or by passing a wire around the center of the case, both laterally and crosswise, so as to form right angles in the center and be countersunk, and, instead of passing over the edges of the case, must pass under or through the edges at a depth sufficient to carry the wire through the side or end and adjoining top or bottom of the case. The ends will then be securely knotted or twisted together and countersunk in the wood at the point indicated and below the surface to which the stamp is to be affixed and will be secured in place by a small wire staple or nail.

SEC. 28. *Fiberboard cases.*—Spirits bottled in bond may also be placed in cases (boxes) constructed of solid fiberboard, single and double wall corrugated fiberboard, one-piece style, meeting the requirements of rule 41, Consolidated freight classification; rule 18, Official express classification; and Section IV (Part 5), Federal specifications of April 28, 1936.

In addition to meeting such requirements, the outer container of the cases shall be double-faced, and shall not be less than 0.080 of an inch thick for solid fiberboard, and three-sixteenths of an

inch thick for single and double wall corrugated fiberboard, and shall have a bursting strength of not less than 200 pounds per square inch. Mullen or Cady test, for solid and single wall corrugated fiberboard containers, and 275 pounds per square inch for double wall fiberboard containers, and be faced on the outside with tough smooth material. The outer ply shall be water-proofed, as required by the above-mentioned rules, and the inner plies may be water-proofed where desired. The outer flaps of both the top and bottom shall meet at the center of the case.

The manufacturer's joint of the case shall be secured by adhesive cloth tape, metal fastenings of staples, or stitching wire made of steel, treated to resist rust, and not less than one-half an inch long. The staples or stitches shall be spaced not more than 2 inches apart, shall pass through all the pieces to be fastened, and shall be clinched on the inside.

The top, bottom, and sides of the case shall be lined with double-faced corrugated board, having facings at least 0.016 of an inch thick and the combined board shall be not less than three-sixteenths of an inch thick and have a bursting strength of not less than 200 pounds per square inch, Mullen or Cady test. The case shall also contain partitions separating each bottle. Such partitions shall be tightly fitting, touching the top, bottom and all sides of the case, and made of the same board as the liners for the top, bottom and sides. The corrugated medium of the liners and partitions, as well as of the outer containers, shall be made of chestnut, strawboard, sulphate, sulphite, or pine wood fiberboard not less than 0.009 of an inch thick. The interior packing of pads, liners, or partitions is not required where the bottles are placed in individual double-faced corrugated cartons testing 200 pounds or more per square inch.

Each case shall bear the box maker's certificate required by the above-mentioned rules, and a further certificate by the box maker, as follows:

#### OUTER CONTAINER

Minimum bursting strength—

200 pounds per square inch (solid or single wall).

275 pounds per square inch (double wall).

Minimum combined thickness 0.080 inch (solid).

Minimum combined thickness  $\frac{3}{16}$  of an inch (corrugated).

#### LINERS AND PARTITIONS

Minimum bursting strength 200 pounds per square inch.

Minimum combined thickness  $\frac{3}{16}$  of an inch.

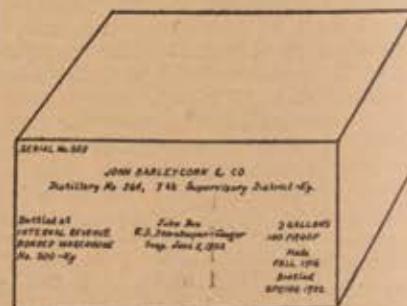
The top and bottom of the case shall be secured by gluing the entire inner surface of the inner flaps to the top and bottom liners and the entire inner surface of the outer flaps to the inner flaps with silicate of soda or an equally efficient adhesive. Containers sealed with automatic sealing machines are

not required to have the inner flaps glued to the top and bottom pads or liners.

SEC. 29. *Cases of other material and construction.*—Distilled spirits bottled in bond may also be placed in such other cases of secure material and construction and affording adequate protection to the spirits against breakage and theft as may be approved therefor by the Commissioner of Internal Revenue.

SEC. 30. (a) *Marks and brands.*—On the Government side of cases of distilled spirits bottled in bond there shall be plainly burned, embossed, or printed, in letters and figures not less than one-half of an inch in height, the real name of the actual bona fide distiller or of the individual, firm, partnership, corporation or association in whose name the spirits were produced and warehoused, the number and location (city or town and State) of the distillery at which the spirits were produced, the quantity and proof of the spirits, the season and year of production and bottling, and the number and State of the warehouse at which the spirits are bottled. Where spirits are bottled at a warehouse not on the premises of the distillery where produced, or contiguous thereto, the name of the distiller or of the individual, firm, partnership, corporation or association in whose name the spirits were produced and warehoused, the number and location (city or town and State) of the distillery at which the spirits were produced, and the season and year of production and bottling may be stenciled on the cases. The serial number of the case and the date of bottling (inspection) shall also be marked on each case. All marks on cases, whether embossed, printed or stenciled, must be made with permanent black ink. No marks, brands, labels, caution notices, or other devices whatever, other than those required by law and regulations, will be permitted on the Government side of the case.

(b) The marks and brands will be placed on the cases in the following manner and order:



SEC. 31. *Bottling before tax payment.*—Application for bottling distilled spirits in bond before payment of tax will be made to the storekeeper-gauger-in-charge at the warehouse on Form 1518 (part 1) in quadruplicate. Upon receipt of such application the officer will inspect, gauge, and mark the pack-

ages and make detailed report thereof on Form 1520, also in quadruplicate. If the regauge discloses excess losses to be tax-paid, the Forms 1518, together with the gauger's report on Form 1520, will be forwarded by the taxpayer with remittance for the tax on such excess losses to the Collector of Internal Revenue for the district in which the bonded warehouse is located. The collector will sign the certificate as to payment of the tax (part 3), of Form 1518, retain one copy of each form, and forward the other copies to the storekeeper-gauger-in-charge of the warehouse. When the bottling is completed the storekeeper-gauger will enter the details of the cases returned to warehouse on part 4 of Form 1518 and forward one copy of the form and one copy of Form 1520, to the district supervisor for the district, deliver one copy of each form to the proprietor, and file one copy of each form in his office. When no excess loss is disclosed by the regauge it will not be necessary to send the forms to the collector.

**Sec. 32. Bottling tax-paid spirits.**—Proprietors of bonded warehouses desiring to bottle distilled spirits after tax payment should so indicate on Form 179, covering the entry for tax payment of the spirits. The form will be submitted in quadruplicate to the storekeeper-gauger-in-charge. The storekeeper-gauger making the regauge will report same in detail on Form 1520, also in quadruplicate, three copies of which, together with all copies of Form 179, will be delivered to the proprietor of the warehouse, who will forward same to the Collector of Internal Revenue of the district with remittance for the tax. Upon issuance of the tax-paid stamps, the collector will fill in the serial numbers of the stamps in the appropriate spaces on the forms, sign the certificates of tax payment on the Forms 179, retain one copy of each form, and return the other copies of both forms to the taxpayer, who will deliver same to the storekeeper-gauger-in-charge of the warehouse on the date the spirits are to be withdrawn. Upon withdrawal of the spirits, the storekeeper-gauger will forward one copy of each form to the district supervisor, deliver one copy of each to the proprietor, and file one copy of each form in his office. The words, "Tax-paid," the date of tax payment, and the name of the storekeeper-gauger, will be stenciled on each case of tax-paid spirits bottled-in-bond.

**Sec. 33. Prompt removal of spirits to bottling house.**—Packages of spirits intended to be bottled must be immediately removed, after withdrawal from the warehouse where stored, to the bottling portion of the warehouse and their contents promptly drawn off into the proper tanks.

Empty casks or barrels must be thoroughly rinsed with water or steamed. So much of such water or condensed steam as may be required should be used to reduce the proof of the spirits to 100,

and any excess should be poured upon the ground or into a sewer.

**Sec. 34. No substance to be added or subtracted.**—No material or substance of any kind other than pure water can be added to distilled spirits during the process of bottling in bond, nor can any substance or material be subtracted from the spirits, except that charcoal, sediment, or other like substances may be removed from the spirits by straining them through cloth, felt, or other like material; nor can any method or process be applied to alter or change in any way the original condition or character of the product, except as authorized by statute.

**Sec. 35. Spirits remaining in tanks over night.**—If for any reason spirits are held in the bottling house over night, the tanks in which such spirits are contained must be locked by the storekeeper-gauger.

At the conclusion of the process of drawing the spirits from the reducing tank to the bottling tank or tanks the latter must be securely locked, as well as the inlets and outlets thereto, and so remain until the spirits are to be drawn off into bottles, which should be done as promptly as possible.

**Sec. 36. Bottling conducted under supervision of storekeeper-gauger.**—The entire operation of bottling spirits in bond, including the withdrawal of the spirits from the packages, the effacement and obliteration of every mark, brand, and stamp from the packages emptied, the straining of the spirits and their reduction by the addition of pure water to 100 proof required by the statute, the filling and stamping of the bottles and the casing of the bottles and the immediate removal of the cases from the bottling premises upon the completion of bottling of each lot will be performed by the proprietor of the warehouse under the supervision of the storekeeper-gauger. The proof will be determined in accordance with the rules stated in the Gauging Manual. While the storekeeper-gauger is charged with the duty of requiring compliance with the provisions of the law and regulations by the persons engaged in the various operations of bottling the spirits, his failure in any instance will not relieve the proprietor of the warehouse from responsibility.

**Sec. 37. Testing bottles.**—Every proprietor of a bottling house engaged in bottling spirits in bond will provide a standardized glass graduate suitable for the purpose of determining the capacity of the various bottles used; and, in order to avoid delay in bottling, should see that the bottles delivered in the warehouse are of the capacities required by this regulation.

Whenever a supply of bottles is brought into a bottling house, the storekeeper-gauger will test a number of each size before allowing any to be filled. If it is found that any of the bottles are of less capacity than that required by

this regulation, he shall not allow any of them to be used, and the entire lot shall be removed from the warehouse and all bottles not of the required capacity excluded.

The test should be made with water or spirits 60° F. In filling bottles with spirits above or below such temperature, allowance should be made for contraction or expansion of the spirits. The bottles should, therefore, be of sufficient capacity to hold the required amount at 60° F. with sufficient wantage to allow for expansion of the spirits in hot weather.

**Sec. 38. Stamping and casing distilled spirits.**—All distilled spirits of each particular "dump" transferred to a bottling tank should be immediately drawn off into bottles of the desired size or sizes, as provided in section 14. Application should then be made in duplicate on Form 1515 (part 1) to the storekeeper-gauger-in-charge of the warehouse for stamps sufficient to cover the quantity of spirits to be bottled. Stamps will be issued by the storekeeper-gauger to the proprietor in proper serial order, starting with the lowest serial number of the stamps of the denomination desired on hand at the time of issuance. The proprietors will not be required to affix stamps to containers in serial order. If after filling the cases there remain bottles less than the number necessary to constitute a full case, such bottles may be stamped and placed in a container constructed in the same manner as the cases described in section 27 or section 28, which remnant is to be given the serial number of the last full case containing spirits in the same lot followed by the letter "R," thus: "100R," or "161R." Such remnant should be removed from the warehouse with the cases; appropriate entries to be made in the records. The stamps must be securely affixed to the bottles with the use of a good adhesive. The adhesive used must be in proper liquid condition, and care must be taken to cover the entire back of the stamp with the adhesive, and to press the whole surface of the stamp firmly against the surface of the bottle sufficiently long to cause the entire surface of the stamp to adhere securely to the bottle. The stamp must pass over the neck of the bottle, extending in equal distance on two sides of the bottle. No part of the stamp shall be concealed or obscured by any label or other covering, except that a cup may be placed over the opening of the bottle or the bottle may be placed in a carton as hereinafter provided. Seals made of cellulose or other material which is shrunk or otherwise fitted over the necks of the bottles to cover the stamps must be so completely transparent as to permit the stamps to be plainly seen and the printed matter thereon easily read. No cup or cap may be placed over the opening of a bottle and cover the stamp, unless such cup or cap is completely transparent or is so placed on the bottle that it may be

readily removed at any time without injury to the stamp and the arrangement is such that the ends of the stamp will be plainly visible when the cap or cup is in place. Cartons or other coverings of bottles of distilled spirits are permitted, if so made that they may be opened and closed without being torn or broken. Sealed cartons or other coverings may not be used unless transparent or unless openings therein permit the entire stamp to be plainly seen and the printed matter thereon easily read. Upon completion of the bottling the storekeeper will enter the details thereof on part 2, of Form 1515, and will forward one copy of the form to the district supervisor and file one copy in his office.

Sec. 39. *Losses and gains in bottling to be tax-paid.*—All losses sustained in the process of bottling, on distilled spirits bottled before tax payment, and, all gains in bottling, on distilled spirits bottled after tax payment, must be tax-paid. When Forms 1516 have been audited, the district supervisor shall prepare a notice on Form 1807, in triplicate, for each bottling house, showing thereon the total losses and gains in bottling for the month upon which tax is due. The original copy thereof will be forwarded to the proprietor of the Internal Revenue Bonded Warehouse on whose premises the bottling house is situated and one copy will be transmitted to the proper Collector of Internal Revenue, and if the taxpayer does not within thirty days from the date of such notice pay the tax due, the collector shall enter the amount for assessment on his current distilled spirits list. The third copy of the notice will be filed in the supervisor's office. At the end of sixty days from the date of the notice the district supervisor shall ascertain from the collector whether the amount of tax due has been paid or assessed and appropriate notations will be entered on the retained copy of the form.

Sec. 40. *Remnants of low-proof spirits.*—Remnants of spirits resulting from overflow in filling bottles, and spirits which have deteriorated in proof by evaporation or repacking of filters, may be returned, under the immediate supervision of the storekeeper-gauger in charge of the bottling house, to the mixing or reducing tank or bottling tank containing another lot of spirits of the same kind, produced by the same distiller at the same distillery during the same distilling season. Distilled spirits so returned to the bottling tank will be reported in red ink on Forms 1515 and 1516.

Sec. 41. *Monthly reports, Form 1516.*—At the close of each day storekeeper-gaugers will enter the details of all spirits bottled during the day on Form 1516. The entries will be made in the order of the bottling without regard to the name of the distiller who produced the spirits. At the close of the month the storekeeper-gauger will prepare two additional copies of the report and forward

both copies to the district supervisor. The district supervisor will, after audit and before the last day of the month succeeding that for which rendered, forward one copy thereof to the Commissioner of Internal Revenue. The original report will be filed at the bottling house as a permanent record.

Sec. 42. *District Supervisor's Account, Form 1517.*—District supervisors will render monthly bonded account on Form 1517, with inside sheets, sections 1 and 2, of spirits bottled in bond. One copy of this account will be forwarded to the Commissioner of Internal Revenue on or before the last day of the month succeeding the month for which rendered, and one copy will be retained in the office of the district supervisor rendering the same. Instructions as to the manner in which this account should be prepared will be found on the last page of the form.

Sec. 43. *Effective date.*—This regulation shall, on and after July 1, 1938, supersede Regulations No. 6, approved March 31, 1928, and all amendments and modifications thereof.

[SEAL] GUY T. HELVERING,  
Commissioner of Internal Revenue.

Approved, June 3, 1938.

H. MORGENTHAU, Jr.,  
Secretary of the Treasury.

[F. R. Doc. 38-1594; Filed, June 6, 1938;  
1:04 p. m.]

### Notices

#### FEDERAL TRADE COMMISSION.

United States of America—Before  
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of June, A. D. 1938.

Commissioners: Garland S. Ferguson, Chairman; Charles H. March, Ewin L. Davis, William A. Ayres, Robert E. Freer.

[File 21-315]

#### IN THE MATTER OF PROPOSED TRADE PRACTICE RULES FOR THE ROLL LEAF MANUFACTURING INDUSTRY

#### NOTICE OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS OR OBJECTIONS

This matter now being before the Federal Trade Commission under its Trade Practice Conference procedure, in pursuance of the Act of Congress approved September 26, 1914 (38 Stat. 717);

Opportunity is hereby extended by the Federal Trade Commission to any and all persons affected by or having an interest in the proposed trade practice rules for the Roll Leaf Manufacturing Industry to present to the Commission their views upon the same, including suggestions or objections, if any. For this purpose they may, upon application to the Commission, obtain copies of the proposed rules. Communications of such views should be

made to the Commission not later than June 22, 1938. Opportunity for oral hearing will be afforded at 10 a. m., June 22, 1938, in Room 388, Federal Trade Commission Building, Constitution Avenue at 6th Street, Washington, D. C., to such persons as may desire to appear. After giving due consideration to such views, suggestions or objections as may be received concerning the proposed rules, the Commission will proceed to their final consideration.

By the Commission.

[SEAL] OTIS B. JOHNSON,  
Secretary.

[F. R. Doc. 38-1596; Filed, June 7, 1938;  
10:55 a. m.]

#### SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the  
Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 3rd day of June A. D. 1938.

[File No. 31-420]

#### IN THE MATTER OF THE BYLLESBY CORPORATION

##### ORDER POSTPONING HEARING

An order having been issued by the Commission on the 24th day of May, 1938, setting June 10, 1938 as the date at which a hearing shall be held on the application of The Byllesby Corporation, pursuant to Section 2 (a) (7) of the Public Utility Holding Company Act of 1935, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, N. W., Washington, D. C., and designating Edward C. Johnson, an officer of the Commission to preside at such hearing:

It is ordered, That such hearing be postponed until 10:00 A. M. in the forenoon of June 15, 1938, at the same place.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,  
Secretary.

[F. R. Doc. 38-1597; Filed, June 7, 1938;  
12:22 p. m.]

United States of America—Before the  
Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 6th day of June, A. D. 1938.

[File No. 51-12]

#### IN THE MATTER OF COLUMBIA GAS & ELECTRIC CORPORATION

##### NOTICE OF AND ORDER FOR REOPENED HEARING

Columbia Gas & Electric Corporation, a registered holding company, having

heretofore filed an application pursuant to Section 12 (c) of the Public Utility Holding Company Act of 1935, and Rule 12C-2 promulgated thereunder, concerning the declaration and payment of certain dividends on its various classes of capital stock; the Commission by its order of April 8, 1938 having granted said application in part, denied said application in part, and having reserved jurisdiction with respect to the declaration and payment of dividends on said applicant's preferred and preference stocks payable on August 15, 1938 and November 15, 1938; and the applicant having filed with this Commission a request that the hearing be re-opened for the purpose of considering, and adducing evidence in support of, the declaration, on or about July 7, 1938, and payment, on August 15, 1938 of, the regular quarterly dividends on its Cumulative 6% Preferred Stock, Series A, Cumulative Preferred Stock, 5% Series, and 5% Cumulative Preference Stock, the aggregate amount of said dividends being approximately \$1,627,175.00;

*It is ordered.* That said hearing be re-opened and that such re-opened hearing be held on June 25, 1938, at 10:00 of the forenoon of that day, at the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW, Washington, D. C. On such day the Hearing Room Clerk in Room 1102 will advise as to the room where such hearing will be held.

*It is further ordered.* That Charles S. Moore or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to continue or postpone said hearing from time to time or to a date thereafter to be fixed by such presiding officer.

Notice of such hearing is hereby given to such applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with

the Commission on or before June 20, 1938.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,  
Secretary.

[F. R. Doc. 38-1599; Filed, June 7, 1938;  
12:22 p. m.]

*United States of America—Before the  
Securities and Exchange Commis-  
sion*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 6th day of June, A. D. 1938.

[File No. 32-88]

**IN THE MATTER OF WORCESTER SUBURBAN  
ELECTRIC COMPANY**

**NOTICE OF AND ORDER FOR HEARING**

An application pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party:

*It is ordered.* That a hearing on such matter be held on June 24, 1938, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW, Washington, D. C. On such day the hearing-room clerk in Room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

*It is further ordered.* That Edward C. Johnson or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to continue or postpone said hearing from time to time or to a date thereafter to be fixed by such presiding officer.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding

shall file a notice to that effect with the Commission on or before June 20, 1938.

The matter concerned herewith is in regard to the application of the above named company, a subsidiary of Massachusetts Utilities Associates, for exemption from the provisions of section 6 (a) of said Act of the issue of 24,433 shares of its capital stock of the par value of \$25 per share. It being stated in said application that such shares are to be exchanged by applicant for all the outstanding shares of Marlborough Electric Company, also a subsidiary of Massachusetts Utilities Associates, upon the basis of 2-5683/9375 shares of applicant for each share of Marlborough Electric Company the same being of the par value of \$100 per share, the latter shares to be cancelled by applicant upon the exchange being effected and upon the conveyance and transfer by Marlborough Electric Company to applicant of all of its assets and property of every description.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,  
Secretary.

[F. R. Doc. 38-1598; Filed, June 7, 1938;  
12:22 p. m.]

**UNITED STATES MARITIME COMMISSION.**

[Supplement No. 1]

**ORDER FOR HEARINGS ON MINIMUM WAGE  
SCALES AND REASONABLE WORKING CON-  
DITIONS FOR MEMBERS OF THE PURSER'S  
DEPARTMENT AND SHIP'S SURGEONS EM-  
PLOYED ON SUBSIDIZED VESSELS**

At a regular session of the United States Maritime Commission held at its office in Washington, D. C., on the 26th day of May, 1938.

Public hearings on the above matter will be held in Room 904, 45 Broadway, New York, N. Y., at 10:00 A. M., June 20, 1938, and in the Federal Grand Jury Room, Post Office Building, San Francisco, California, at 10:00 A. M. on June 23, 1938.

[SEAL] W. C. PEET, Jr.  
Secretary.

JUNE 7, 1938

[F. R. Doc. 38-1602; Filed, June 7, 1938;  
12:43 p. m.]

[3 F. R. 1230 (DI).]

<sup>1</sup> 3 F. R. 678 (DI).

